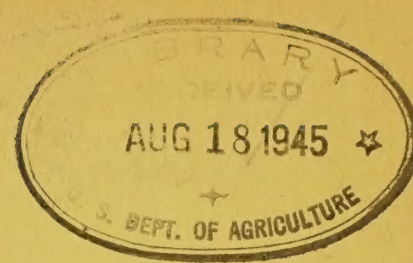


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UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Security Administration

Washington

October 27, 1943

To: Field Personnel
From: N. Gregory Silvermaster, Director, Labor Division
Subject: Newsletter

I am enclosing the first of what I hope will be a periodic news-
letter which includes information which should be of interest
to you and helpful in your work. Subjects covered in this issue
include:

Annual Agricultural Outlook Conference	- pp. 1 - 4
Farmer-Labor Cooperation	" 4 - 6
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The material comes from many sources: government releases, the
Congressional Record, labor and other newspapers, etc.

We hope to expand the contents of this letter and so any sugges-
tions from you will be appreciated.

Attachment

B-47

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ANNUAL AGRICULTURAL OUTLOOK CONFERENCE

Food Production Goals for 1944

The Annual Agricultural Outlook Conference was held during the week of October 18-23, at which time the suggested goals for 1944 were released. These are given below.

It should be noted that large increases are planned for wheat, corn, soybeans, peanuts, beans, peas, and tobacco.

Because of the bad feed situation it is planned to slaughter increased numbers of livestock.

It was pointed out that if the food habits of the people were changed it would be possible to feed twice as many people as are now fed, with our present capacities.

One of the most serious needs next year is milk. It is not expected that milk production in 1943 will reach its goal. But the Department thinks that improved practices and better management can result in the achievement of the 1944 goal.

With regard to the feed situation, which is admittedly serious, it was reported that, during the 12 months ending October 1, about 13 percent more feed was used per unit of output than in previous years. This would indicate that a great deal of feed is being wasted.

Substantial increases in fertilizer are expected for next year.

It was emphasized that to achieve greater food production in 1944 four approaches are necessary:

1. Increase in acreage under cultivation of about 18 million acres.
2. Shift to more intensive crops.
3. Better utilization of available foods (i.e., skim milk usually fed to hogs, etc.)
4. Improved farm practices.

Industrial Wage Policy

The representative of the War Labor Board reported that as far as his agency was concerned, it had held the line. Only in those cases in which gross inequities existed or in rare and exceptional cases has the War Labor Board granted wage rate increases beyond the "Little Steel"

SUGGESTED PRODUCTION GOALS FOR 1941 WITH COMPARISONS
(For consideration at State Meetings)

Commodity	: 1937-41	: Indicated	: Suggested	: % suggested
	:	: 1943	: 1944	: 1944 is
	:	:	:	: of 1943
	(Thousands of acres)			
Wheat	69,311	54,159	68,000	126
Rye	3,700	2,875	2,800	97
Rice	1,118	1,538	1,538	100
Corn	91,975	96,818	100,000	103
Oats	39,646	42,654	39,000	91
Barley	14,290	17,893	17,500	98
All sorghums, except sirup	17,070	17,220	16,400	95
Soybeans for beans	4,121	11,527	14,000	121
Peanuts	1,818	4,191	5,500	131
Flax	2,307	6,289	6,200	99
Hemp: Fiber	- - -	174	225	129
Seed	- - -	52	40	77
Broomcorn	- - -	- - -	400	- - -
Dry beans	1,977	2,807	3,300	118
Dry peas	280	748	875	117
Potatoes	2,913	3,444	3,500	102
Sweet potatoes	741	923	1,000	108
Sugar beets	914	636	900	142
Sugarcane	264	331	335	101
Cotton	26,357	21,995	22,000	100
Tobacco, flue-cured	925	839	923	110
Tobacco, Burley	395	405	445	110
Tobacco, other domestic	292	227	250	110
Processing vegetables	1,426	2,106	2,225	106
Fresh vegetables	1,740	1,527	1,684	110
Cover crops 1/	220	406	461	114
All tame hay 2/	57,197	60,489	62,023	103
Total of crops listed	340,997	352,273	371,524	103
1/ Includes some hay acreage of which one crop is harvested for hay.				
2/ Includes peanut hay.				
	(Thousands of head)			
Spring pig crop	46,771	74,050	62,000	84
Fall pig crop	30,388	53,000	43,000	81
Cattle slaughter	15,200	18,600	22,300	120
Calf slaughter	9,400	9,700	11,400	118
Hog slaughter	65,600	93,200	104,000	112
Sheep and lamb slaughter	21,900	24,700	22,000	89
Dairy cows (av. during year)	23,275	25,669	26,300	102
Hens and pullets (Jan. 1)	376,576	487,089	540,812	111
Chickens raised on farms	656,464	925,652	900,000	97
Commercial broilers raised	110,927	248,576	200,000	80
Turkeys raised	30,723	33,176	32,000	96
	(Production - million units)			
Total meat (lbs.)	20,456	28,672	30,691	107
Milk (lbs.)	107,399	118,302	122,000	103
Eggs (doz.)	3,577	4,970	5,000	101

formula. For each instance of the granting of a wage increase there are thousands of instances of denials of such increases. There have been less than five "rare and exceptional" cases.

It is significant that in only eight out of 3,000 cases does the wage increase granted by the WLB require the approval of the OPA, since the wage increase may cause a price increase.

Inflation

The representative of the OPA emphasized that a substantial part of the increase in the cost of living since September 1942 (when Congress enacted its stabilization program) was a result of price increases in dairy, meats, and, most important, fruits and vegetables.

The prices of meat and butter have already been rolled back about 10 percent. The OPA is now rolling back the prices of fruits and vegetables. It is expected that within a short time the cost of living will be only 2 or 3 percent higher than in September 1942.

As an example of the tremendous price increases in vegetables, it is reported that from March 1942 to March 1943 farm returns from cabbage increased eight times.

Of the price increases of food since September 1942 about 40 percent went to the farmers and 60 percent went to the wholesalers. The rollback will eliminate the latter increase.

According to the OPA representative, the OPA will not permit any break in price ceilings (if subsidies are banned by Congress) in order to achieve slight increases in food production.

Farm Labor

With regard to the farm labor problem, there was little discussion at the Conference. The chief emphasis of the one farm labor session was on work-simplification techniques. Apparently there is a growing interest in this field.

According to M. C. Wilson, of the Extension Service, a little more than 8 million dollars had been allocated among the states pursuant to Public Law #45 but indications are that less than 6 million dollars will be spent. The Extension Service will use troops only in special circumstances since the use of service men reflects upon the ability of the Extension Service to mobilize farm workers. The chances are that few prisoners of war will be used next year for work on the farms.

General

A major portion of the Conference was devoted to the problems of post-war agriculture. With regard to this question there were two significant aspects. First, it was emphasized time and again that the solution of agriculture's problems depended to a large extent on our ability to maintain and to solidify international relations. And, secondly, that the post-war problems will be serious, requiring bold leadership.

FARMER-LABOR COOPERATION

Wallace on Farmer-Labor Unity

The nation's farmers were warned this week not to permit themselves to become enemies of labor as a result of the propaganda they read in the newspapers and hear over the radio.

Vice President Wallace, in an interview published in "Spade," a national farm publication, declared that if farmers, by "incessant criticism, finally succeed in turning labor into an enemy," they may find themselves in a very difficult situation in the post-war years.

On recent visits with farmers, he said, he found that many of them had listened to propaganda until they were convinced they were bearing more than their share of the war burden and were victims of "bureaucratic bungling" at Washington.

"Of course," Wallace said, "farmers are doing a splendid job, but there are other groups which are doing an equally difficult job under equally difficult conditions.

"Many workers are only about two-thirds to three-fourths as well off as they were two years ago. Some workers in war plants, like the farmers, have had incomes greatly increased. Some of them, even after taxes, are better off. But there are a great many workers who put in two, three and even more hours a day traveling to and from work.

"Many of them put in a longer work-week than the average farmer, whose work-day is from one to two hours longer. Many workers live in poor houses. They find it hard to buy the necessary food at the store.

"I have noticed that in the last 20 years farm income and labor income go up and down together. I have noticed that anything that cuts labor's income cuts the income of all farmers, except those on the export market. I have also noticed that all agricultural legislation has been dependent upon the votes of Congressmen representing labor constituencies.

"I have never heard an important labor leader criticize agriculture. I have heard many farm leaders criticize labor.

"Farmers, if only from the standpoint of their own self interest, must be concerned about labor. Labor makes the farmer's market. Farm legislation depends upon labor as well as farm votes.

"The important thing is that both of these great groups work together for their mutual welfare and in so doing they will serve the welfare of the whole nation."

Labor, 9-25-43

Church Leader Urges Farmer-Labor Unity

Rev. James Myers, Industrial Secretary of the Federal Council of Churches, on Labor Day asserted that it was the duty of the church to resolve the conflict and abolish the prejudice and misunderstandings which exist between farmers and labor.

"Labor and farmers," Myers said at the First Community Church, "are natural partners in the common heritage of productive toil, but their geographical isolation and reliance upon newspapers which commonly report as news only the worst features of each group have resulted in probably the most serious schism of economic groups in American life and one which could readily be exploited by fascist forces with disastrous results for America."

"As a matter of fact," Myers pointed out, "farmers and industrial workers have much in common. Both cherish the principle of democracy in organization. Many farmers seek, through their farm organizations, the same essential democratic right of collective action to safeguard their interests as industrial workers seek through their labor unions. The same thrilling spirit of democracy, the same determination to have a voice in their own economic destinies, runs through both the organized labor and organized farmer movements."

"One of the hopeful signs of the times is the fact that labor and farmers are discovering that they are consumers, as well as producers. They are finding in the consumers' cooperative movement significant common ground with increasing benefits to both farmers and city workers.

"The freer exchange of farm and industrial products through consumers' cooperation offers at once a more abundant economic life to both groups and brings them together in practical economic cooperation from which there can emerge a better society for all."

"Labor, farmers, and the church all need to lift their eyes to wider horizons and to realize that the only way to assure economic security and abundance for any group is to assure these benefits for all groups, for all races and for all the nations of the earth. To this end we all need to study the procedures of a new world-wide government and the bases of a just and durable peace, and to stand ready to sacrifice any self-interest which stands in the way of the good of all mankind."

The Trades Unionist, Published
by Central Labor Union (AFL),
Washington, D. C., 9-11-43.

Farmers and Workers Unite in Oklahoma City

A petition signed by representatives of AFL, CIO, Farmers' Union, Railroad Brotherhoods and the General Welfare Federation of America (representing old age pension and social security groups) is being circulated in Oklahoma City demanding the following:

1. Subsidies to protect farmers and small business men and to reduce the cost to consumers of food and other vital farm products.
2. Grade labeling.
3. Dollars and cents ceilings on all cost of living items at their September, 1942 level.
4. Continued rent control.
5. A strong Office of Price Administration.

These groups have formed a United Farm Labor and Social Security Committee.

CIO News, 9-27-43

FARM LABOR SITUATION

Report of Food Advisory Committee

In August 1943, the report to the Food Advisory Committee by the Sub-committee on U. S. Food Allocation, which was submitted during the previous month, was released by Secretary Wickard. Among other things, the report included the following recommendations on farm labor:

Providing adequate labor for the proposed 1944 and 1945 production program depends first of all on increasing the mobility of our agricultural workers.

Instead of "freezing" them in their present locations, every effort should be made to insure their rapid, orderly and planful movement from one task and once area of peak demand to another. It is directly contrary to the interests of the war that workers be frozen on farms that are too poor or too small, or which can produce only those crops we have little need for.

The prevailing practice of requiring the county agent to approve the transfer of any farm worker out of the county merely assures the continuance of the present poor distribution and use of farm labor, and in fact helps to wipe out the valuable army of migratory farm workers whom we have had in the past.

Even worse is the practice, now observed officially by Louisiana, Arkansas, Mississippi, and Missouri, and unofficially by other states, of prohibiting the recruitment of farm labor for out-of-state use. Unless both federal and state restrictions on the controlled movement of farm labor are removed, any food program that involves either a substantial increase in total output, or a significant shift in emphasis from one crop to another, is impossible without a considerable increase in the total number of farm workers.

When the desired recruits can be achieved by better use of the existing farm labor force, any such increase is indefensible and directly contrary to the interests of the war effort.

UCAPANA News, CIO, 9-1-43

Proposal for a Senate Investigation of the Distribution and Supply of Farm Labor

On October 12, Senator Langer (R., North Dakota) introduced S.R. 189 which provides for the appointment of a special committee of five senators to investigate the supply and distribution of farm labor. The resolution was referred to the Committee on Agriculture and Forestry and reads as follows:

Resolved, that a special committee of five senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation with respect to the supply and distribution of farm labor, for the purpose of ascertaining whether the fullest possible utilization is being made of migratory and seasonal agricultural workers in the United States, and whether the effective utilization of such workers has been hindered by the administration of the provisions of the joint resolution making an appropriation to assist in providing a supply and distribution of farm labor for

the calendar year 1943, approved April 29, 1943 (Public Law #45, 78th Congress). Such committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations for necessary legislation.

Cong. Record, 10-12-43

Farmers' Union Position on Public Law #45

James G. Patton, President of the National Farmers' Union submitted a letter of Members of Congress on September 12, outlining the problems which must be solved in order to increase our food production. On the question of farm labor, Mr. Patton stated:

"As the Nation's manpower crisis tightens, repeal of all or most of Public Law No. 45 becomes imperative. This self-defeating legislation appropriated \$26,000,000 for recruiting, placement, and transportation of farm labor -- and then in effect froze all farm labor where it was. Instead of mobilizing all farm labor for use whenever and wherever needed, under reasonable wages and working conditions, it has broken the United States into 3,000 little countries with the county agent as a little king, subservient in most instances to the largest farmers in the county. The law provides that no federal funds may be used to transport farm labor from State to State without approval of the county agent. (No national farm organization will defend this provision.) In practice, this provision, along with the Tydings amendment to the Selective Service Act (which defers farm men so long as they are engaged in essential farming activities), and State laws against "labor snatching," are being used in combination to immobilize and freeze farm labor in whatever county it happens to be.

Thus, we have the scandalous spectacle of farm-labor shortages and farm labor surpluses at the same time. While hundreds of thousands of farm-bred families are underemployed at low wages in some parts of the Nation, food is being lost in other parts because of labor shortages. These shortages, aggravated by an act of Congress, have forced us to divert troops and use war prisoners to harvest crops.

Such mishandling of our farm labor resources is equalled only in the continued refusal to equip and assist 1,300,000 under-capitalized and under-equipped and therefore underemployed farm families for maximum production on the land they occupy. Together, this wastage of farm manpower makes sense only to those determined to extend control of the Nation's agriculture further and further toward complete monopoly in the hands of commercialized agriculture and banking interests. The purpose is clear. Frozen labor is to be kept plentiful and cheap in some localities, and is to be replenished

by small farmers and their families driven from their own land to work the land of others.

"It should be enough to state that such a program is, of course, contrary to the very purposes for which this war is being fought. But it is also likely to result in declining farm production, rising food prices, and inflation that will strike at the heart of the entire war effort and endanger post-war rehabilitation and the making of a lasting peace."

Congressional Record
9-14-43

Attitude of the CIO Toward Public Law #45

Philip Murray, President of the Congress of Industrial Organization, listed seven legislative "musts" that "cannot be postponed." Concerning Public Law #45 he urged the "repeal of the 'Perago Act' which freezes farm labor in most of 3,000 counties."

Number of Workers Transported by Office of Labor

During the first five months of the operation of Public Law #45 (May through September 1943) about 60,000 foreign workers and 9,400 domestic workers had been moved by the Office of Labor.

Jamaican Workers to be Employed on Sugar-Cane in Florida

Jamaican workers are being urged to work on sugar-cane in Florida during the winter months. The new contract will differ from the old one in several respects. Among these changes are:

1. A "misconduct and indiscipline clause" has been added, giving the Government the right to terminate the contract if a worker misconducts himself.
2. "The U. S. Government can terminate the contract with one month's notice in the event of any fundamental change in the war situation or of the occurrence of any other circumstance (including any change in the weather) rendering the continued employment of the worker no longer necessary."
3. Where meals are provided in camp the workers will be required to eat there.

ECONOMIC FACTS

The "Inflationary Gap"

The Treasury Department estimates that during the present fiscal year the difference between consumer incomes after taxes and available supplies of consumer goods and services (at present ceiling prices) will be about 42 billion dollars. The arithmetic is as follows:

	<u>Billions</u>
Total consumer incomes	\$ 152
Less existing taxes	<u>21</u>
Available for spending	131
Available goods and services	<u>89</u>
Inflationary gap	42

These 42 billion dollars must be withdrawn. Without overall rationing and strict price control the two possibilities are savings and taxes. The Treasury Department estimates a maximum of 20 billion dollars of savings. Thus its proposed tax program of 10½ billion dollars only takes care of one-half of the problem.

The Treasury has proposed to secure these taxes chiefly from the personal income and corporate profit taxes, opposing strenuously the general retail sales tax. A sales tax would mean a 10 per cent increase in the cost of living and the repercussions on wage policy would be bad.

Tax Program Suggested by Seven Organizations

A joint statement on the proposed tax program was signed by: CIO President Philip Murray, President Robert W. Kenny of the National Lawyers Guild, President James G. Patton of the National Farmers Union, President A. F. Whitney of the Brotherhood of Railroad Trainmen, Chairman William H. Hastie of the legal committee of the National Association for the Advancement of Colored People, Secretary-Treasurer Elizabeth Christman of the National Women's Trade Union League and Chairman Katherine Armistead of the board of the League of Women Shoppers.

Such a program as they outlined is necessary, they said, "to prevent further inroads on the already ominously low standard of living of the men and women fighting the war in the factories, the fields and the workshops." Through its adherence to democratic principles it would "contribute immeasurably to victory on the battlefields and on the home front," they said.

The program calls for:

1. Increased individual income tax rates on middle and higher incomes, along with a \$25,000 ceiling on net incomes, after taxes.
2. Restoration of income tax exemptions to \$750 for single persons, \$1,500 for married couples, and \$400 for each dependent.
3. Increased tax rates on corporations with incomes above \$25,000 beyond the existing 40 per cent rate.
4. All profits above 4 to 5 per cent of invested capital to be taxed as excess profits, with loopholes closed.
5. Repeal of the "victory" tax.
6. Elimination of special privileges so as to provide for mandatory joint returns, the taxation of State and municipal securities, and the elimination of percentage depletion allowances for owners of mines and oil and gas wells.
7. Increased tax rates and lower exemptions for estates and gifts.
8. Heavy excise taxes on luxuries and non-essentials.
9. Vigorous opposition to a general Federal sales tax.

Shipyard Worker (CIO)
October 8, 1943

War Profits

Below is given a table showing the war profits of 21 leading American corporations:

(Figures in thousands of dollars)

Company	1936-39 Average	1942	Per cent Increase	Increase 1st half, 1943 over 1st half, 1942
American Car & Foundry	\$ 72	\$ 7,056	9700	not available
American Locomotive	1,462	7,552	417	175
American Rolling Mill Company	4,346	9,281	114	12

(Table continued)

Company	1936-39 Average	1942	Per cent Increase	Increase 1st half, 1943 over 1st half, 1942
American Woolen Co. \$	-631	\$ 6,824	. . .	37
Aviation Corp.	-599	5,324	. . .	1
Bendix Aviation Corp.	2,627	15,890	505	3
Bethlehem Steel Corp.	19,269	38,183	98	5
Crucible Steel Co.	1,901	8,308	337	-3
General Electric Co.	44,115	62,081	41	-11
Jones & Laughlin	1,580	11,143	605	-2
Mack Trucks, Inc.	620	4,488	624	-5
Martin (Glenn L.) Co.	2,084	9,659	363	not available
Otis Elevator Co.	2,696	5,273	96	46
Pullman, Inc.	6,232	17,042	173	-19
Remington Arms Co.	1,185	7,354	521	91
Republic Steel Corp.	5,801	20,187	248	-26
Studebaker Corp.	1,040	2,548	145	152
United Aircraft Corp.	5,161	20,994	307	47
U. S. Steel Corp.	45,098	96,819	115	not available
Westinghouse Electric Mfg. Co.	14,674	21,216	45	86
Youngstown Sheet & Tube Co.	6,785	13,564	100	-6

Brewery Worker, October 20, 1943.

Profits of Food Wholesalers

A confidential report of the OPA, parts of which were published in several newspapers and the Congressional Record, reveals that wholesale food dealers increased their profits as high as 500 per cent between 1939 and 1942.

Three out of every 10 food wholesalers reported profits for 1942 more than 300 per cent higher than in 1939, and for half of these concerns profits rose 500 per cent or more.

Seven out of every 10 food middlemen more than doubled their profits, and four of these seven had at least a 200 per cent rise.

Wholesale food grocers increased their profits, on the average, more than 200 per cent while sales increased only 43 per cent.

Congressional Record,
October 12, 1943

Profits of Meat Packers

A second OPA study covering 53 meat packing companies, which handle 85 per cent of the Nation's meat production, reveals that these companies had profits of nearly \$25,000,000 in peacetime, but reached nearly \$110,000,000 in 1942.

The top group, which does 70 per cent of the total business, realized 336 per cent more profits—from \$24,000,000 to \$102,000,000. The medium firms increased their profits by 638 per cent, from \$717,000 to \$5,300,000, while small companies (sales of less than \$5,000,000 a year) went up only 28 per cent—from \$778,000 to \$998,000.

In 1942 alone, compared with 1941, the large packers of meat products increased their profits by 40 per cent and the medium group 100 per cent.

Congressional Record
October 12, 1943

One-Third of Wage Earners Make Less than \$30 a Week

About 15,700,000 families and working individuals earn less than \$30 a week, according to a statement of John W. Edelman, Liaison Officer of OPA. This includes 4 million retail workers who average \$24.79 per week and more than 1½ million textile workers who made \$27.06 a week during February. Many workers involved directly in war production make less than \$40 a week. Workers in the chemical and allied products industry, for example, averaged \$38 a week during February, including overtime.

Retail Clerks International
Advocate (AFL)
September-October 1943.

Minimum Budget for Families

The Heller Committee of the University of California recently issued a minimum wartime budget for a family of four for 1943. The budget is as follows:

	<u>A Year</u>	<u>Weekly Average</u>
Taxes	\$ 334.23	\$ 6.43
War bonds (10% of income)	300.00	5.76
Food	916.85	17.63
Clothing	256.67	4.94
Housing (rent and water)	408.00	7.85
House operations	115.97	2.23
Furnishings	15.75	.30
Miscellaneous	644.32	12.39
	<u>\$2,991.79</u>	<u>\$57.53</u>

War Shifts in Labor Force

The most recent figures on the labor force reveal the following shifts:

	<u>December 1940</u>	<u>December 1941</u>	<u>December 1942</u>	<u>December 1943</u>
Unemployed	7,100,000	3,800,000	1,500,000	1,000,000
Self-Employed	5,900,000	5,800,000	4,100,000	3,500,000
Agricultural Workers	8,700,000	8,300,000	8,900,000	8,900,000
Non-war Workers	31,500,000	29,200,000	21,400,000	19,000,000
Armed forces	800,000	2,100,000	6,200,000	10,800,000
War workers	1,500,000	6,900,000	17,500,000	20,000,000

Washington Evening Star

Food Production in 1943

The latest crop report indicates that the 1943 production of corn, wheat and soybeans will be under 1942 production. Increases are expected in rice, dry beans, dry peas, peanuts and potatoes.

The 1943 production of 8 important truck crops for processing (green lima beans, beets, cabbage and kraut, snap beans, sweet corn, green peas, pimientos and tomatoes) will be 90 per cent of 1942 production—5,452,690 tons in 1943 as against 4,937,190 tons in 1942.

CONFERENCES

National Conference on Food

Representatives of labor organizations and other national bodies will meet at Cleveland, October 27 and 28, to discuss ways and means of increasing food production. The conference will be held under the auspices of Food for Freedom, Inc., whose chairman is Mrs. Dwight W. Morrow. The chairman of the conference will be Leon Henderson. Discussions will be held on problems of food production and distribution, food habits, food conservation, etc.

AFL Convention

A Conference on Food and Nutrition was held on October 9 in Boston during the annual AFL convention.

CIO Convention

The CIO will hold its annual convention at Philadelphia during the first week of November.